

**THIS DISPOSITION IS NOT  
CITABLE AS PRECEDENT  
OF THE TTAB**

Hearing:  
June 10, 2004

Mailed: September 2, 2004  
csl

**UNITED STATES PATENT AND TRADEMARK OFFICE**

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**Trademark Trial and Appeal Board**

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Speedway SuperAmerica LLC

v.

Renegade Tobacco Inc.

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Opposition No. 91124822  
to application Serial No. 76156512  
filed October 31, 2000

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Henry W. Leeds, Nancy R. Frandsen, Jennifer L. Dean and  
Christen M. English of Drinker Biddle & Reath LLP for  
Speedway SuperAmerica LLC.

Jay S. Horowitz for Renegade Tobacco Inc.

Before Simms, Hanak and Rogers, Administrative Trademark  
Judges.

Opinion by Simms, Administrative Trademark Judge:

Speedway SuperAmerica LLC ("opposer"), a Delaware  
corporation, has opposed the application of Renegade

Tobacco Inc. ("applicant"), a North Carolina corporation, to register the mark SPEEDWAY for cigarettes.<sup>1</sup>

In the amended notice of opposition, opposer alleges that, through predecessors, it has used the mark SPEEDWAY since May 27, 1935, in connection with gasoline and lubricating oil; that opposer has used and registered this mark for these goods as well as for automobile and truck service station services; that since 1975, opposer has operated retail grocery stores in connection with its service stations under the mark SPEEDWAY; that opposer now operates over 2,200 automobile and truck service stations and convenience stores; that opposer sells many national brands of cigarettes and, since May 27, 1988, has sold its own private label brand cigarette called TOURNEY; that opposer uses the SPEEDWAY mark in connection with the advertising and promotion of TOURNEY cigarettes (for example, free gas for the purchase of a carton of TOURNEY cigarettes); that opposer owns numerous registrations which include the mark SPEEDWAY; and that applicant's mark so resembles opposer's marks as to be likely to cause confusion, to cause mistake or to deceive. Opposer also alleges that applicant's application is void because

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<sup>1</sup> Serial No. 76156512, filed October 31, 2000, based upon applicant's allegation of a bona fide intention to use the mark in commerce.

applicant did not have a bona fide intention to use its mark in commerce, in the ordinary course of trade, when it filed the application, and that applicant does not have a present bona fide intention to use the SPEEDWAY mark in commerce. Applicant denied the pertinent allegations of the amended opposition and asserted, as an affirmative defense, that this opposition is barred by laches, acquiescence and estoppel.<sup>2</sup>

The record consists of testimony taken of opposer's corporate manager of advertising, and related exhibits; status and title copies of its pleaded registrations, discovery responses and a discovery deposition of applicant's president, relied upon by opposer's notices of reliance; and the application file. The parties have filed briefs and an oral hearing was held.

#### The Record

According to Douglas Bond, opposer's corporate manager of advertising, opposer is a chain of gasoline and convenience store outlets located in 13 states in the

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<sup>2</sup> Essentially, applicant asserts that an affiliated company had earlier filed an application to register the mark SPEEDWAY for cigarettes. That mark was apparently published for opposition, but opposer did not oppose that mark. However, the application became abandoned when no statement of use was filed, applicant alleges. Applicant has offered no evidence or argument on these affirmative defenses and we shall not further consider them.

Southeast and Midwest. Opposer now operates over 1,900 such outlets under the mark SPEEDWAY.

In addition to the sale of gasoline and diesel, opposer's convenience stores sell general merchandise including about 50 brands of cigarettes, health and beauty aids, soft drinks, beer and wine, snacks, candy, motor oil, antifreeze, lubricants, and food service products. In 2002, opposer's total gasoline revenue was around \$5 billion while general merchandise sales were over \$2 billion, of which cigarette sales were about \$1.3 billion, about 55 percent of general merchandise sales. Opposer's market share is about 2 percent of total national cigarette sales, and opposer is the tobacco industry's third largest customer. Mr. Bond testified that opposer averages over 2.2 million customers per day, over one fourth of whom purchase cigarettes. According to Bond Exhibit 1, opposer sells over 1 million cigarette packs per day, and in the states in which opposer operates, opposer sells one out of every 20 packs. Bond dep., 21. Over half of opposer's customers purchase only merchandise (no gasoline). Bond dep., 81-82.

Since 1989, opposer has sold its own private label cigarette called TOURNEY. These cigarettes are sold only through opposer's convenience stores and through opposer's

Smokes For Less stores. These tobacco stores sell only cigarettes and tobacco products, and about 20 percent of them are located in or adjacent to opposer's convenience stores. About 15 to 20 percent of opposer's total cigarette sales are of the TOURNEY cigarettes. Opposer's SPEEDWAY convenience stores garnered over \$100 million from the TOURNEY cigarettes in 2002. The SPEEDWAY mark does not itself appear on the TOURNEY cigarette package.

In 2002, opposer spent about \$18 million in advertising and promotion (radio and television, print media, billboards, direct mail and point-of-sale materials). Mr. Bond also testified that various promotions offer free gasoline when a purchaser buys 25 packs of TOURNEY cigarettes. Opposer advertises and promotes its TOURNEY cigarettes more than it promotes the major brands which it also sells. For example, with a carton of TOURNEY cigarettes, a purchaser may obtain a free prepaid SPEEDWAY phone card. Cigarettes in general are heavily promoted at opposer's many locations, both at the pumps, in the convenience store windows and inside the stores themselves.

Opposer's record also includes status and title copies of its pleaded registrations, including Registration No. 816,870, issued October 18, 1966, renewed, for the mark

SPEEDWAY, for gasoline and lubricating oil; Registration No. 1,168,689, issued September 8, 1981, renewed, for SPEEDWAY and design, for gasoline station services; Registration No. 1,592,374, issued April 17, 1990, Section 8 affidavit accepted, for the mark SPEEDWAY, for automobile and truck service station services; Registration No. 1,867,322, issued December 13, 1994, Section 8 affidavit accepted, for the mark THE CONVENIENCE STORES OF SPEEDWAY, for retail grocery store services; and Registration No. 1,528,551, issued March 7, 1989, Section 8 affidavit accepted, for the mark TOURNEY, for cigarettes.

According to the discovery deposition of Calvin Phelps, applicant's owner and president, applicant is a distributor of cigarettes. Applicant distributes cigarettes in 14 states, mostly located in the Southeast. In 2001, applicant's affiliated company Alternative Brands made about 200 million TUCSON cigarettes (Phelps, 87), which applicant has distributed since that year.

According to Mr. Phelps, he has adopted three marks, one of which is the TUCSON mark, which identifies a low-cost cigarette with a Western theme. The other marks he conceived were SPEEDWAY, a mark which applicant wanted to conjure up a racing theme, designed to be used on a higher-priced cigarette, and the mark NIRVANA, intended to be used

for herbal, non-tobacco cigarettes. These names were submitted to an attorney in early 1999 for a trademark search. Mr. Phelps testified that, after distributing the lower-cost TUCSON cigarette, it was his intention to then develop and distribute the other brands. That process includes the development of packaging as well as the selection of a blend for the new product. Phelps, 47. Graphic work, including initial designing of packages, had been done by two artists for both the NIRVANA and the SPEEDWAY brands (Phelps, 55, 96) but this work was not deemed suitable by Mr. Phelps. At trade shows, Mr. Phelps had conversations concerning applicant's three cigarette brands, including SPEEDWAY. Phelps, 110, 124, 125. Also, as noted, a trademark availability search was conducted in April 1999. According to Mr. Phelps, applicant is not "ready to promote two brands at the moment." Phelps, 97. He further testified that the TUCSON brand is "laying the groundwork to sell our higher-priced cigarette, if that were Speedway." Phelps, 118. He also noted that major cigarette companies may have many trademarks, "not all of them active." *Id.*

One of the purposes of doing that is that in the event that a customer wants their own individual brand of cigarettes, they have the name trademarked already they can offer to them; that is always an option with us, also, until we

actually get to the point where we intend to go to market.

*Id.* When asked at the conclusion of his deposition if "any intent to use or develop [the SPEEDWAY cigarette] is currently on hold," Mr. Phelps said that "I guess you could say that... It is there when we decide to use it, but we are not actively using it. So, I guess you could say yes, it is on hold." Phelps, 147. He stated that applicant has no documents concerning the development of this mark.

Mr. Phelps also stated that he was not aware of opposer's SPEEDWAY gasoline stations and convenience stores until this opposition was brought.

Discovery responses also indicate that Vicki Meechum of Winston Printing did design work for several of applicant's labels, including SPEEDWAY, between 1999 and 2000. In 2000-2001, Ron Cook also did design work for several of these labels including the SPEEDWAY mark. See Response to Interrogatory 7(a).

#### Arguments of the Parties

Briefly, it is opposer's position that confusion is likely because of opposer's use and registration of the identical mark SPEEDWAY in connection with its convenience stores and gasoline station outlets, which heavily promote



the sale of cigarettes. Because the respective marks are identical, the relationship between the goods and services need not be as great, opposer contends. Opposer argues that its mark is well-known, in use since 1935 on gasoline and lubricating oil, and since 1938 in connection with retail stores and automobile and truck service station services. This mark is entitled to a broad scope of protection, opposer maintains. Opposer's nearly 2,000 stores had revenue in a recent year approaching \$5 billion, mostly from the sale of gasoline and cigarettes, the latter of which is the second biggest-selling product which opposer offers. Over 500,000 customers per day buy cigarettes at opposer's locations. Because cigarettes are heavily advertised at opposer's convenience stores and gas station outlets as well as through various promotions, opposer argues that the public associates the SPEEDWAY mark with the sale of cigarettes. Opposer contends that it has conditioned consumers to associate the SPEEDWAY mark with both the retail sale of gasoline and the retail sale of cigarettes, and that consumers recognize opposer as the source of cigarettes. Opposer contends that confusion is particularly likely if applicant's SPEEDWAY cigarettes were to be sold at opposer's convenience stores. Reply brief,

2. Opposer also contends that purchasers of cigarettes are

"non-discerning" ordinary consumers who may not spend much time or thought in the purchasing decision. Any doubt should be resolved in its favor as the registrant and prior user, opposer argues.

With respect to the issue of applicant's bona fide intent to use its mark, opposer maintains that applicant's discovery deposition indicates that applicant wants to reserve this mark for some indefinite time in the future. Opposer points to the lack of documentation concerning applicant's intention to use the mark.

Applicant, on the other hand, maintains that its cigarettes are not related to opposer's goods and services and that consumers will not believe that opposer's gasoline stations and convenience stores would be manufacturers of cigarettes. Applicant points to the fact that there is no evidence that gasoline stations use their names as the names of cigarettes, and that opposer has cited no case finding likelihood of confusion involving cigarettes and gasoline station and convenience store services.

Finally, with respect to its bona fide intention to use the mark, applicant points to the fact that it has only three marks (and applications), one of which it has now begun using. Applicant maintains that its intention to use its mark is further demonstrated by the trademark

availability search, and the fact that applicant hired counsel both to prepare trademark applications and to defend this opposition. Applicant also cites the discovery responses showing that design work has been done in three recent years by two different people, and the testimony of Mr. Phelps concerning his plans to use the SPEEDWAY mark.

Discussion and Analysis

Opposer, as plaintiff in this case, has the burden of proof to show, by a preponderance of the evidence, priority and likelihood of confusion. *Cunningham v. Laser Golf Corp.*, 222 F.3d 943, 55 USPQ2d 1842, 1848 (Fed. Cir. 2000).

With respect to priority, that is not an issue here because opposer relies on its ownership of valid and subsisting registrations. See *King Candy Co. v. Eunice King's Kitchen*, 496 F.2d 1400, 182 USPQ 108 (CCPA 1974). Moreover, the record demonstrates opposer's prior use of the mark SPEEDWAY in connection with its gasoline service station and convenience store services.

Turning then to the issue of likelihood of confusion, our determination of the issue of likelihood of confusion is based on an analysis of all of the probative facts in evidence that are relevant to the factors set forth in *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). See also *In re Majestic Distilling*

*Company, Inc.*, 315 F.3d 1311, 65 USPQ2d 1201 (Fed. Cir. 2003). In any likelihood of confusion analysis, two key considerations are the similarities between the marks and the similarities between the goods and/or services. See *Federated Foods, Inc. v. Fort Howard Paper Co.*, 544 F.2d 1098, 192 USPQ 24 (CCPA 1976). See also *In re Dixie Restaurants Inc.*, 105 F.3d 1405, 41 USPQ2d 1531 (Fed. Cir. 1997).

As to the marks, opposer owns the registered mark SPEEDWAY, both alone and with design elements, for service station services. It also owns a registration of the mark THE CONVENIENCE STORES OF SPEEDWAY for retail grocery store services in plain letters. However, even in opposer's registrations with design elements, it is the literal portion of the mark, or the portion utilized in calling for the services, in this case the term SPEEDWAY, that is the part most likely to be impressed in the purchaser's memory and to serve as the indication of origin. See *Inter-State Oil Co., Inc. v. Questor Corp.*, 209 USPQ 583 (TTAB 1980). See also *In re National Data Corporation*, 753 F.2d 1056, 224 USPQ 749, 752 (Fed. Cir. 1985).

Applicant's mark SPEEDWAY is identical to opposer's mark SPEEDWAY and very similar to opposer's word and design marks that, if these marks were used on closely related

goods or services, confusion would be likely. The identity of the marks also "weighs heavily against applicant." *In re Martin's Famous Pastry Shoppe, Inc.*, 748 F.2d 1565, 223 USPQ 1289, 1290 (Fed. Cir. 1984).

Turning, therefore, to a consideration of opposer's gasoline service station services and convenience store services versus applicant's cigarettes, we note that it is not necessary that the respective goods and services be similar or competitive, or even that they move in the same channels of trade to support a holding of likelihood of confusion. Rather, it is sufficient that the respective goods and services are related in some manner, and/or that the conditions and activities surrounding the marketing of the goods and services are such that they would or could be encountered by the same persons under circumstances that could, because of the similarity of the marks, give rise to the mistaken belief that they originate from the same producer. *In re International Telephone & Telegraph Corp.*, 197 USPQ 910, 911 (TTAB 1978).

Here, there is no question that cigarettes and other tobacco products are sold in many service stations and convenience stores, including opposer's. Cigarettes are the second biggest-selling item at opposer's service stations and convenience stores. However, there is simply

no evidence that gas stations/convenience stores use their names as brands of cigarettes. In fact, the evidence is to the contrary--opposer uses a different mark (TOURNEY) as its private label cigarette brand.

We also observe that the word "speedway" is an ordinary English word found in the dictionary. In other words, it is not a word coined by opposer which applicant has appropriated.

Further, opposer's argument that, if applicant's SPEEDWAY cigarettes were to be offered in opposer's stores, there would be confusion is without merit. Opposer, who here contends that confusion is likely, is unlikely to sell such cigarettes in its service stations and convenience stores if doing so would lead to confusion as to the source or origin of those cigarettes. Applicant's cigarettes more likely would be sold in other outlets where cigarettes are available--supermarkets, drugstores, convenience stores, and other gas stations.

We agree with opposer that gas stations and convenience stores are typical and well-known outlets for the sale of cigarettes. However, we also agree with applicant's argument that consumers have simply not been accustomed, at least according to this record, to seeing the same mark used in connection with convenience stores

and gas stations and on cigarettes. We believe that there must be shown more than a mere theoretical possibility of confusion. There must be demonstrated a probability or likelihood of confusion. See, for example, *Witco Chemical Co. v. Whitfield Chemical Co.*, 418 F.2d 1403, 164 USPQ 43, 44-45 (CCPA 1969): "We are not concerned with mere theoretical possibilities of confusion, deception, or mistake or with de minimis situations but with the practicalities of the commercial world, with which the trademark laws deal." See also *Triumph Machinery Company v. Kentmaster Manufacturing Company Inc.*, 1 USPQ2d 1826 (TTAB 1987). Here, even considering the regional renown of opposer's mark used in connection with gasoline service stations and convenience stores, we believe that any possibility of confusion does not rise to the level necessary to show that confusion is in fact likely.

We turn, therefore, to the second issue--whether applicant had a bona fide intention to use the mark in commerce at the time of filing the application, and whether it continues to have such an intent. First, it is clear that the alleged lack of such an intent is a ground for opposition. See *Lane Ltd. v. Jackson International Trading Co.*, 33 USPQ2d 1351, 1352 (TTAB 1994); and *Commodore*

*Electronics Ltd. v. CBM Kabushiki Kaisha*, 26 USPQ2d 1503, 1504 (TTAB 1993).

After review of the testimony and evidence as well as the arguments on this issue, we find that the evidence demonstrates that applicant did indeed have a bona fide intention to use the mark SPEEDWAY in commerce when it filed the application. Although applicant does not have documents to show the development of this brand, there is testimony and there are discovery responses showing that applicant had a trademark availability search conducted with respect to this brand (as well as two others) in the year preceding the filing of the application, that graphic work was performed on the SPEEDWAY package in the year of the filing of the application as well as the year immediately following the filing, and that applicant wanted to introduce the lower-priced TUCSON brand, which it has now done, before introducing the higher-priced SPEEDWAY brand into the market. Suffice it to say that opposer has not shown by a preponderance of the evidence that applicant lacked the necessary bona fide intention to use the mark in commerce at the time of the filing of the application. Cf. *Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, *supra* (the absence of documents may be sufficient to show the lack of a bona fide intent to use, but the Board noted in a



footnote that this prima facie case could be rebutted by other evidence of intent to use). Moreover, we do not interpret the statements made by applicant's witness in his discovery deposition as showing that applicant no longer has such an intent.

Decision: Because we hold that applicant's mark for cigarettes is not likely to cause confusion with opposer's mark for its services, and because opposer has not established that applicant lacked a bona fide intention to use the mark as of the filing date, or now lacks such an intention, the opposition is dismissed.